



Rep. Sidney H. Mathias

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LRB097 08135 AJ0 53875 a

1 AMENDMENT TO HOUSE BILL 2228

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2228 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Solicitation for Charity Act is amended by  
5 changing Section 4 as follows:

6 (225 ILCS 460/4) (from Ch. 23, par. 5104)

7 Sec. 4. (a) Every charitable organization registered  
8 pursuant to Section 2 of this Act which shall receive in any 12  
9 month period ending upon its established fiscal or calendar  
10 year contributions in excess of \$300,000 and every charitable  
11 organization whose fund raising functions are not carried on  
12 solely by staff employees or persons who are unpaid for such  
13 services, if the organization shall receive in any 12 month  
14 period ending upon its established fiscal or calendar year  
15 contributions in excess of \$25,000, shall file a written report  
16 with the Attorney General upon forms prescribed by him, on or

1 before June 30 of each year if its books are kept on a calendar  
2 basis, or within 6 months after the close of its fiscal year if  
3 its books are kept on a fiscal year basis, which written report  
4 shall include a financial statement covering the immediately  
5 preceding 12 month period of operation. The Attorney General  
6 may, at his or her discretion, offer first and second  
7 extensions to the filing deadline contained in this subsection  
8 (a) by administrative rule. This rule, if it is adopted, may  
9 take account of the separate filing extensions granted to  
10 charitable organizations by the United States Internal Revenue  
11 Service. Such financial statement shall include a balance sheet  
12 and statement of income and expense, and shall be consistent  
13 with forms furnished by the Attorney General clearly setting  
14 forth the following: gross receipts and gross income from all  
15 sources, broken down into total receipts and income from each  
16 separate solicitation project or source; cost of  
17 administration; cost of solicitation; cost of programs  
18 designed to inform or educate the public; funds or properties  
19 transferred out of this State, with explanation as to recipient  
20 and purpose; cost of fundraising; compensation paid to  
21 trustees; and total net amount disbursed or dedicated for each  
22 major purpose, charitable or otherwise. Such report shall also  
23 include a statement of any changes in the information required  
24 to be contained in the registration form filed on behalf of  
25 such organization. The report shall be signed by the president  
26 or other authorized officer and the chief fiscal officer of the

1 organization who shall certify that the statements therein are  
2 true and correct to the best of their knowledge, and shall be  
3 accompanied by an opinion signed by an independent certified  
4 public accountant that the financial statement therein fairly  
5 represents the financial operations of the organization in  
6 sufficient detail to permit public evaluation of its  
7 operations. Said opinion may be relied upon by the Attorney  
8 General.

9 (b) Every organization registered pursuant to Section 2 of  
10 this Act which shall receive in any 12 month period ending upon  
11 its established fiscal or calendar year of any year  
12 contributions:

13 (1) in excess of \$15,000, but not in excess of \$25,000,  
14 during a fiscal year shall file only a simplified summary  
15 financial statement disclosing only the gross receipts,  
16 total disbursements, and assets on hand at the end of the  
17 year on forms prescribed by the Attorney General; or

18 (2) in excess of \$25,000, but not in excess of  
19 \$300,000, if it is not required to submit a report under  
20 subsection (a) of this Section, shall file a written report  
21 with the Attorney General upon forms prescribed by him, on  
22 or before June 30 of each year if its books are kept on a  
23 calendar basis, or within 6 months after the close of its  
24 fiscal year if its books are kept on a fiscal year basis.  
25 The Attorney General may, at his or her discretion, offer  
26 first and second extensions to the filing deadline

1       contained in this paragraph (2) of subsection (b) by  
2       administrative rule. This rule, if it is adopted, may take  
3       account of the separate filing extensions granted to  
4       charitable organizations by the United States Internal  
5       Revenue Service. This written report,~~which~~ shall include a  
6       financial statement covering the immediately preceding  
7       12-month period of operation limited to a statement of such  
8       organization's gross receipts from contributions, the  
9       gross amount expended for charitable educational programs,  
10      other charitable programs, management expense, and fund  
11      raising expenses including a separate statement of the cost  
12      of any goods, services or admissions supplied as part of  
13      its solicitations, and the disposition of the net proceeds  
14      from contributions, including compensation paid to  
15      trustees, consistent with forms furnished by the Attorney  
16      General. Such report shall also include a statement of any  
17      changes in the information required to be contained in the  
18      registration form filed on behalf of such organization. The  
19      report shall be signed by the president or other authorized  
20      officer and the chief fiscal officer of the organization  
21      who shall certify that the statements therein are true and  
22      correct to the best of their knowledge.

23      (c) For any fiscal or calendar year of any organization  
24      registered pursuant to Section 2 of this Act in which such  
25      organization would have been exempt from registration pursuant  
26      to Section 3 of this Act if it had not been so registered, or in

1 which it did not solicit or receive contributions, such  
2 organization shall file, on or before June 30 of each year if  
3 its books are kept on a calendar basis, or within 6 months  
4 after the close of its fiscal year if its books are kept on a  
5 fiscal year basis, instead of the reports required by  
6 subdivisions (a) or (b) of this Section, a statement certified  
7 under penalty of perjury by its president and chief fiscal  
8 officer stating the exemption and the facts upon which it is  
9 based or that such organization did not solicit or receive  
10 contributions in such fiscal year. The statement shall also  
11 include a statement of any changes in the information required  
12 to be contained in the registration form filed on behalf of  
13 such organization. The Attorney General may, at his or her  
14 discretion, offer first and second extensions to the filing  
15 deadline contained in this subsection (c) by administrative  
16 rule. This rule, if it is adopted, may take account of the  
17 separate filing extensions granted to charitable organizations  
18 by the United States Internal Revenue Service.

19 (d) As an alternative means of satisfying the duties and  
20 obligations otherwise imposed by this Section, any veterans  
21 organization chartered or incorporated under federal law and  
22 any veterans organization which is affiliated with, and  
23 recognized in the bylaws of, a congressionally chartered or  
24 incorporated organization may, at its option, annually file  
25 with the Attorney General the following documents:

26 (1) A copy of its Form 990, as filed with the Internal

1 Revenue Service.

2 (2) Copies of any reports required to be filed by the  
3 affiliate with the congressionally chartered or  
4 incorporated veterans organization, as well as copies of  
5 any reports filed by the congressionally chartered or  
6 incorporated veterans organization with the government of  
7 the United States pursuant to federal law.

8 (3) Copies of all contracts entered into by the  
9 congressionally chartered or incorporated veterans  
10 organization or its affiliate for purposes of raising funds  
11 in this State, such copies to be filed with the Attorney  
12 General no more than 30 days after execution of the  
13 contracts.

14 (e) As an alternative means of satisfying all of the duties  
15 and obligations otherwise imposed by this Section, any person,  
16 pursuant to a contract with a charitable organization, a  
17 veterans organization or an affiliate described or referred to  
18 in subsection (d), who receives, collects, holds or transports  
19 as the agent of the organization or affiliate for purposes of  
20 resale any used or second hand personal property, including but  
21 not limited to household goods, furniture or clothing donated  
22 to the organization or affiliate may, at its option, annually  
23 file with the Attorney General the following documents,  
24 accompanied by an annual filing fee of \$15:

25 (1) A notarized report including the number of  
26 donations of personal property it has received on behalf of

1 the charitable organization, veterans organization or  
2 affiliate during the proceeding year. For purposes of this  
3 report, the number of donations of personal property shall  
4 refer to the number of stops or pickups made regardless of  
5 the number of items received at each stop or pickup. The  
6 report may cover the person's fiscal year, in which case it  
7 shall be filed with the Attorney General no later than 90  
8 days after the close of that fiscal year.

9 (2) All contracts with the charitable organization,  
10 veterans organization or affiliate under which the person  
11 has acted as an agent for the purposes listed above.

12 (3) All contracts by which the person agreed to pay the  
13 charitable organization, veterans organization or  
14 affiliate a fixed amount for, or a fixed percentage of the  
15 value of, each donation of used or second hand personal  
16 property. Copies of all such contracts shall be filed no  
17 later than 30 days after they are executed.

18 (f) The Attorney General may seek appropriate equitable  
19 relief from a court or, in his discretion, cancel the  
20 registration of any organization which fails to comply with  
21 subdivision (a), (b) or (c) of this Section within the time  
22 therein prescribed, or fails to furnish such additional  
23 information as is requested by the Attorney General within the  
24 required time; except that the time may be extended by the  
25 Attorney General for a period not to exceed 60 days upon a  
26 timely written request and for good cause stated. Unless

1 otherwise stated herein, the Attorney General shall, by rule,  
2 set forth the standards used to determine whether a  
3 registration shall be cancelled as authorized by this  
4 subsection. Such standards shall be stated as precisely and  
5 clearly as practicable, to inform fully those persons affected.  
6 Notice of such cancellation shall be mailed to the registrant  
7 at least 15 days before the effective date thereof.

8 (g) The Attorney General in his discretion may, pursuant to  
9 rule, accept executed copies of federal Internal Revenue  
10 returns and reports as a portion of the foregoing annual  
11 reporting in the interest of minimizing paperwork, except there  
12 shall be no substitute for the independent certified public  
13 accountant audit opinion required by this Act.

14 (h) The Attorney General after canceling the registration  
15 of any trust or organization which fails to comply with this  
16 Section within the time therein prescribed may by court  
17 proceedings, in addition to all other relief, seek to collect  
18 the assets and distribute such under court supervision to other  
19 charitable purposes.

20 (i) Every trustee, person, and organization required to  
21 file an annual report shall pay a filing fee of \$15 with each  
22 annual financial report filed pursuant to this Section. If a  
23 proper and complete annual report is not timely filed, a late  
24 filing fee of an additional \$100 is imposed and shall be paid  
25 as a condition of filing a late report. Reports submitted  
26 without the proper fee shall not be accepted for filing.

1 Payment of the late filing fee and acceptance by the Attorney  
2 General shall both be conditions of filing a late report. All  
3 late filing fees shall be used to provide charitable trust  
4 enforcement and dissemination of charitable trust information  
5 to the public and shall be maintained in a separate fund for  
6 such purpose known as the Illinois Charity Bureau Fund.

7 (j) There is created hereby a separate special fund in the  
8 State Treasury to be known as the Illinois Charity Bureau Fund.  
9 That Fund shall be under the control of the Attorney General,  
10 and the funds, fees, and penalties deposited therein shall be  
11 used by the Attorney General to enforce the provisions of this  
12 Act and to gather and disseminate information about charitable  
13 trustees and organizations to the public.

14 (Source: P.A. 96-488, eff. 1-1-10.)

15 Section 10. The Charitable Trust Act is amended by changing  
16 Section 7 as follows:

17 (760 ILCS 55/7) (from Ch. 14, par. 57)

18 Sec. 7. (a) Except as otherwise provided, every trustee  
19 subject to this Act shall, in addition to filing copies of the  
20 instruments previously required, file with the Attorney  
21 General periodic annual written reports under oath, setting  
22 forth information as to the nature of the assets held for  
23 charitable purposes and the administration thereof by the  
24 trustee, in accordance with rules and regulations of the

1 Attorney General.

2 (b) The Attorney General shall make rules and regulations  
3 as to the time for filing reports, the contents thereof, and  
4 the manner of executing and filing them. He may classify trusts  
5 and other relationships concerning property held for a  
6 charitable purpose as to purpose, nature of assets, duration of  
7 the trust or other relationship, amount of assets, amounts to  
8 be devoted to charitable purposes, nature of trustee, or  
9 otherwise, and may establish different rules for the different  
10 classes as to time and nature of the reports required to the  
11 ends (1) that he shall receive reasonably current, annual  
12 reports as to all charitable trusts or other relationships of a  
13 similar nature, which will enable him to ascertain whether they  
14 are being properly administered, and (2) that periodic reports  
15 shall not unreasonably add to the expense of the administration  
16 of charitable trusts and similar relationships. The Attorney  
17 General may suspend the filing of reports as to a particular  
18 charitable trust or relationship for a reasonable,  
19 specifically designated time upon written application of the  
20 trustee filed with the Attorney General and after the Attorney  
21 General has filed in the register of charitable trusts a  
22 written statement that the interests of the beneficiaries will  
23 not be prejudiced thereby and that periodic reports are not  
24 required for proper supervision by his office.

25 (c) A copy of an account filed by the trustee in any court  
26 having jurisdiction of the trust or other relationship, if the

1 account has been approved by the court in which it was filed  
2 and notice given to the Attorney General as an interested  
3 party, may be filed as a report required by this Section.

4 (d) The first report for a trust or similar relationship  
5 hereafter established, unless the filing thereof is suspended  
6 as herein provided, shall be filed not later than one year  
7 after any part of the income or principal is authorized or  
8 required to be applied to a charitable purpose. If any part of  
9 the income or principal of a trust previously established is  
10 authorized or required to be applied to a charitable purpose at  
11 the time this Act takes effect, the first report, unless the  
12 filing thereof is suspended, shall be filed within 6 months  
13 after the effective date of this Act. In addition, every  
14 trustee registered hereunder that received more than \$25,000 in  
15 revenue during a trust fiscal year or has possession of more  
16 than \$25,000 of assets at any time during a fiscal year shall  
17 file an annual financial report within 6 months of the close of  
18 the trust's or organization's fiscal year, and if a calendar  
19 year the report shall be due on each June 30 of the following  
20 year. The Attorney General may, at his or her discretion, offer  
21 first and second extensions to the filing deadline contained in  
22 this subsection (d) by administrative rule. This rule, if it is  
23 adopted, may take account of the separate filing extensions  
24 granted to charitable trusts by the United States Internal  
25 Revenue Service. Every trustee registered hereunder that did  
26 not receive more than \$25,000 in revenue or hold more than

1 \$25,000 in assets during a fiscal year shall file only a  
2 simplified summary financial statement disclosing only the  
3 gross receipts, total disbursements, and assets on hand at the  
4 end of the year, on forms prescribed by the Attorney General.

5 (e) The periodic reporting provisions of this Act do not  
6 apply to any trustee of a trust which is the subject matter of  
7 an adversary proceeding pending in the circuit court in this  
8 State. However, upon commencement of the proceeding the trustee  
9 shall file a report with the Attorney General informing him of  
10 that fact together with the title and number of the cause and  
11 the name of the court. Upon entry of final judgment in the  
12 cause the trustee shall in like manner report that fact to the  
13 Attorney General and fully account for all periods of  
14 suspension.

15 (f) The Attorney General in his discretion may, pursuant to  
16 rules and regulations promulgated by the Attorney General,  
17 accept executed copies of federal Internal Revenue returns and  
18 reports as a portion of the annual reporting. The report shall  
19 include a statement of any changes in purpose or any other  
20 information required to be contained in the registration form  
21 filed on behalf of the organization. The report shall be signed  
22 under penalty of perjury by the president and the chief fiscal  
23 officer of any corporate organization or by 2 trustees if not a  
24 corporation. One signature shall be accepted if there is only  
25 one officer or trustee.

26 (g) The Attorney General shall cancel the registration of

1 any trust or organization that wilfully fails to comply with  
2 subsections (a), (b), (c) or (d) of this Section within the  
3 time prescribed, and the assets of the organization may through  
4 court proceedings be collected, debts paid and proceeds  
5 distributed under court supervision to other charitable  
6 purposes upon an action filed by the Attorney General as law  
7 and equity allow. Upon timely written request, the due date for  
8 filing may be extended by the Attorney General for a period of  
9 60 days. Notice of registration cancellation shall be mailed by  
10 regular mail to the registrant at the registration file address  
11 or to its registered agent or president 21 days before the  
12 effective date of the cancellation. Reports submitted after  
13 registration is canceled shall require reregistration.

14 (h) Every trustee registered hereunder that received in any  
15 fiscal year more than \$25,000 in revenue or held more than  
16 \$25,000 in assets shall pay a fee of \$15 along with each annual  
17 financial report filed pursuant to this Act. If an annual  
18 report is not timely filed, a late filing fee of an additional  
19 \$100 is imposed and shall be paid as a condition of filing a  
20 late report. Reports submitted without the proper fee shall not  
21 be accepted for filing.

22 (Source: P.A. 90-469, eff. 8-17-97; 91-444, eff. 8-6-99.)".